

DOCKET FILE COPY ORIGINAL  
**Congress of the United States**  
Washington, DC 20515

RECEIVED

OCT 12 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

EX PARTE OR LATE FILED

September 23, 1994

The Honorable Reed Hundt, Chairman  
Federal Communications Commission  
Room 802  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Mr. Chairman:

The purpose of this letter is to advise you of the fundamental concerns of members of the South Carolina congressional delegation about a "Billed Party Preference" ("BPP") Proposal now pending before the Federal Communications Commission ("FCC"), CC Docket No. 92-77.

Pay telephone and other operator assisted callers utilizing 0+ service now have the option of using the long-distance carrier provided by the telephone owner or dialing an access code to reach the caller's preferred long-distance carrier. Proponents of BPP say the proposal, if approved, would direct 0+ calls automatically to the long-distance carrier chosen by the billed party, thus bypassing the long-distance carrier chosen by the pay telephone provider or the calling party. While on the surface this proposal appears to be benign and inconsequential, it actually has significant negative consequences

No. of Copies rec'd 1  
List ABCDE

Honorable Reed Hundt  
September 23, 1994  
Page 2

both generally and to our State. We request that you fully examine those consequences before you act.

The well documented, very high cost of this proposal is particularly burdensome to South Carolina consumers in light of the illusory benefits promised, which are largely duplicative of those benefits provided by the 1990 Telephone Operator Consumer Services Improvement Act ("TOCSIA"), and is thus not in the public interest. We note that our State Office of Information Resources, which manages South Carolina's telecommunications program and has filed comments with the Commission opposing the BPP Proposal, has received only one complaint from the general public since 1989 even though there are hundreds of thousands of 0+ pay telephone calls made annually. TOCSIA has clearly made an impact in making pay telephone rates more competitive. Resort to Billed Party Preference is far too costly a response to isolated incidents of competitive abuse.

The loss of revenues to our State if the BPP proposal is implemented is conservatively estimated to be at least \$4 million per year. The State of South Carolina maintains and operates over 1,900 pay telephones statewide. The revenues generated by competitive contracts for the installation and operation of these telephones are returned to the agencies on whose premises the telephones are located and the net effect is that these revenues serve as vital funding for useful programs otherwise strapped for funds. These revenues would be lost and the commercial value of existing arrangements to our State obliterated with the onset of BPP.

Honorable Reed Hundt  
September 23, 1994  
Page 3

In addition to the substantial loss of revenues, implementation of BPP for inmate pay telephones at prison facilities would result in public safety concerns. Inmates' access to telephone service must be regulated to avoid fraudulent and harassing calls to the public and law enforcement officials. Therefore, BPP should not be implemented for pay phones at prison facilities.

We appreciate your consideration of our concerns and look forward to learning about the Commission's plans for further consideration of this issue.

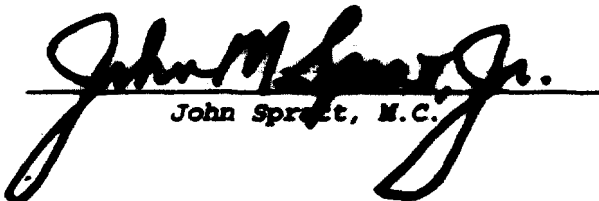
Sincerely,



Strom Thurmond, U.S.S.




Floyd Spence, M.C.



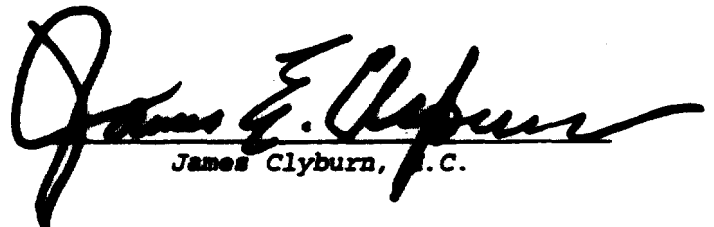
John Spratt, M.C.



Butler Derrick, M.C.



Arthur Ravenel, M.C.



James Clyburn, M.C.

Honorable Reed Hundt  
September 23, 1994  
Page 4

cc: Honorable James H. Quello  
Honorable Andrew C. Barrett ✓  
Honorable Rachelle B. Chong  
Honorable Susan Ness